



MEETING MINUTES NORTH CAROLINA TURNPIKE AUTHORITY FINANCE COMMITTEE

DATE: 10/06/2016 **TIME:** 10:00 AM **LOCATION:** NCTA Main Conference Room

MEMBERS PRESENT	Beau Memory, Perry Safran, Robb Teer
MEMBERS PRESENT VIA PHONE	Scott Aman, Jim Walker
MEMBERS ABSENT	

AGENDA TOPICS

1. WELCOME/OPENING COMMENTS – ROBB TEER	
DISCUSSION SUMMARY	<p>Mr. Teer welcomed all attending and thanked all the Committee members for being present. He called the meeting to order. David Roy called roll. Mr. Teer confirmed all present. Mr. Teer invited Beau Memory to provide his remarks.</p> <p>Mr. Memory greeted everyone attending and reported staff and role changes within the Turnpike Authority. Mr. Memory mentioned the departure of Dan Spuller, the addition of Dennis Jernigan and Andy Lelewski's new responsibilities. Mr. Memory also spoke of the awards NCTA won from IBTTA and showed the video that was presented at the awards ceremony. He reported we had reached 4 million transactions and 3.5 million in revenue in 1 month. Mr. Memory thanked the Committee for moving the Monroe financing package forward. Opened the floor for questions.</p> <p>Mr. Roy introduced all topics on the agenda to the members. He proposed establishing a file share site for document storage for them. Mr. Roy advised there would be no formal finance update because there were no material changes to the Plan. They are still pushing for the October 26th date for approval by the Finance Committee to present to the full Board, but noted that this timing was still contingent on TIFIA.</p>
ACTIONS TAKEN	<p>Mr. Teer presented the meeting minutes from September 8, 2016 for approval by the Committee. Motion of approval given by Perry Safran and seconded by Jim Walker. The minutes were adopted unanimously.</p>

2. MONROE EXPRESSWAY: COST TO COMPLETE UPDATE – DONNA KEENER, HNTB	
DISCUSSION SUMMARY	<p>Donna Keener presented the Project Status Update noting current budget and percentage of completion. David Tyeryar questioned where we were chronologically. Ms. Keener answered approximately halfway complete. She also noted the Design-Build Construction Status where we are 50-60% complete. Ms. Keener spoke of the reserve accounts of Diesel Fuel and Asphalt Cement. Diesel Fuel shows we may receive reimbursement from contractor. She also presented the Right of Way Update noting we are still under budget and have 1 remaining parcel in negotiations. Ms. Keener continued with the Administration Costs and Reserve Funds showing current budget and how much we have remaining. Perry Safran asked if there are any notices of delays other than the change orders. Beau Memory replied stating that the design-build team is filing for a delay of a year and 6 million dollars for Section 1. DOT is saying it will not be granted in full but is reviewing the claim. NCTA would like it to be delivered in full and on time. Mr. Safran says there has to be a way to have a quick resolution and that timing is the concern. We don't want to manage traffic; we want the whole road open. Jim Walker verbally agreed. Mr. Memory informed Mr. Safran we hope to have an update and resolution by next meeting date. Robb Teer asked if that meant they would lose their completion incentive and Mr. Memory verified that they would.</p>
ACTIONS TAKEN	

3. MONROE EXPRESSWAY – REVIEW DRAFT FINANCING AND BOND DOCUMENTS - WALLY MCBRIDE, HUNTON & WILLIAMS AND MARY NASH RUSHER, MCGUIREWOODS	
DISCUSSION SUMMARY	<p>Wally McBride spoke to the Revenue Bond Trust Agreement Introduction. Still working on what criteria will allow to use money from the General Revenue Fund. Mr. Safran asked if we are being handled differently than the Triangle Expressway and why and what are the differences. Mr. McBride answered that TIFIA was evolving and that the main difference is the concept of a bankruptcy related event. Mr. Safran followed by asking, due to SC and TX are we being punished because we are so different. Jim Calpin said TIFIA is not singling us out due to recent defaults. They just want to be repaid so they can cycle the funds back out. Jim Walker asked about Assured Guarantee. Mr. McBride answered they are suspicious if Assured Guarantee may work.</p> <p>Mary Nash described the Preliminary Official Statement and its purpose. Continue to edit to what TIFIA wants. Focus on the description of the Monroe Expressway. Ms. Nash highlighted the section of Risk Factors just to make sure we are not guaranteeing certain things to the bondholders. She also spoke to the disclosure undertaking that is produced annually and for certain events regarding revenue. Ms. Nash continued and described the Bond Purchase Agreement and its purpose.</p>
ACTIONS TAKEN	

4. MONROE EXPRESSWAY: TRAFFIC AND REVENUE STUDY UPDATE – LESLIE JOHNSON, CDM SMITH	
DISCUSSION SUMMARY	Leslie Johnson provided an update of the Traffic and Revenue Study and mentioned there were no changes since the June 3, 2016 Draft. Ms. Johnson then outlined work that is continuing.
ACTIONS TAKEN	

5. MONROE EXPRESSWAY: ENGINEERING REPORT UPDATE – DONNA KEENER, HNTB	
DISCUSSION	Donna Keener presented an update on the Engineering Report noting that changes requested by TIFIA had been made and some cost data had been updated.
ACTIONS TAKEN	

6. MONROE EXPRESSWAY: MARKET UPDATE & MARKETING STRATEGY – JIM CALPIN, BAML	
DISCUSSION	Jim Calpin provided a review of the underwriting syndicate and structure and a market update including market movement, interest rates, and a visual of supply and demand. Mr. Calpin remarked that rates have been tremendously low and interest rates are historically low. Mr. Teer asked if the market was at an all-time high and Mr. Calpin answered it is the highest volume we have seen in years. Marketing strategy was presented as a dual approach between institutional and retail investors over a 2 week period.
ACTIONS TAKEN	

7. TRIANGLE EXPRESSWAY/MONROE EXPRESSWAY: INVESTMENT STRATEGY UPDATE – DAVID CALVERT, PFM	
DISCUSSION	David Calvert presented the investment strategy involving the Triangle Expressway and the Monroe Expressway noting rates and trends. Mr. Calvert presented the strategy of the Triangle Expressway and how funds are being invested and the debt is being serviced. He went on to present the strategy for the Monroe Expressway and how the project funds are being used and how the remaining money will be used.
ACTIONS TAKEN	

8. ADJOURN	
DISCUSSION	Robb Teer opened the floor for questions or any new business. No questions or new business offered. Mr. Teer made a motion to adjourn. Motion carried unanimously.
ACTIONS TAKEN	